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November 17, 2021

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Jonathan Bobadilla Energy Commission Specialist California Energy Commission 715 P Street Sacramento, CA 95814

Re: Strengthen Evaluation Criteria to Ensure ZEV Manufacturing Projects Maximize Access to High-Road Jobs and Ensure Benefits to Disadvantaged Communities

Dear Mr. Bobadilla:

Jobs to Move America works to ensure that public investment in transportation supports quality U.S. manufacturing jobs and provides career opportunities for workers facing barriers to employment as well as access to quality jobs for historically underrepresented populations in the manufacturing industry. We do this by working in coalitions of community-based organizations, labor unions, environmental groups, transit advocates, and workforce development organizations.

As advocates for public transportation and good U.S. manufacturing jobs, we applaud the CEC for planning to include job quality in the evaluation criteria for scoring potential bidders in the forthcoming solicitation for Zero-Emission Vehicles and Zero-Emission Vehicle-Related Manufacturing projects. Our comment is in response to your questions during the pre-solicitation workshop about (1) maximizing access to new high-road jobs for Californians and (2) tools to ensure projects benefit disadvantaged and low-income communities.

The CEC's inclusion of local job quality and benefits to disadvantaged communities in the scoring criteria presents a tremendous opportunity to spur greater adoption of clean bus technology while also stimulating the growing California manufacturing hub for zero-emission vehicles. Such a hub could provide significant economic growth and opportunity in the manufacturing sector, but only if the jobs created are high quality and are accompanied by substantial investment in training a diverse, skilled workforce.

To maximize access to high-road jobs for disadvantaged communities, we recommend that the CEC incorporate into its proposed Project Benefits scoring section an expanded version of the Employee Work Environment, Policies and Practices section adopted in Addendum 3 of GFO-18-604. The Employee Work Environment section from GFO-18-604 represents a strong starting point which could be greatly enhanced by requiring information on wage rates, disadvantaged worker representation for each job category, and stronger recruitment and training plans; and by including compliance monitoring and enforcement provisions. The new and expanded Employee Work Environment section would represent several of the job quality and community impacts criteria currently proposed under the Project Benefits scoring section. The following

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recommendations, shaped by our coalitions' experiences advocating for and implementing robust workforce standards encouraged by major transit agencies, are designed to strengthen the CEC's existing Employee Work Environment language:

- Baseline job quality and equity report: For each job classification, bidders should provide commitments for minimum wage rates and benefits for each classification and the share of different categories of disadvantaged workers.
  - Bidders should provide specific commitments for the minimum hourly wages and benefits that will be paid to direct, year-round employees in each job classification. In addition, to better incentivize economic benefits to disadvantaged communities, bidders should provide commitments for the anticipated number and percentage of employees who belong to groups facing significant, systemic barriers to employment in the electric vehicle manufacturing industry, such as persons transitioning out of the foster care and carceral systems, workers of color, and women, among others. This information , along with expanded recruitment and training plans (below), will allow the CEC to assess the seriousness of bidders' commitments to job quality and equity, as well as provide a baseline for compliance monitoring. Sample forms and documents are available as part of our U.S. Employment Plan resources at <a href="https://jobstomoveamerica.org/resource/u-s-employment-plan-2/">https://jobstomoveamerica.org/resource/u-s-employment-plan-2/</a>.
- Consider including the creation of high-quality jobs from major suppliers as part of the Employee Work Environment criterion.

  In many manufacturing subsectors, suppliers represent a major part of the value chain. In such cases, it is important to consider the job quality at supplier facilities in order to fully evaluate the employee work environment and job creation associated with a manufactured good. Inclusion of jobs at the facilities of major suppliers in this criterion will enhance this criterion's incentive for the development of a high-road manufacturing sector.

  Depending on the good, it may be appropriate to include Tier 2 as well as Tier 1 suppliers when Tier 2 suppliers are major contributors to the product value chain.
- Require as part of the Training and Upward Mobility criteria that bidders submit employee recruitment and training plans designed to benefit workers from specific categories of disadvantaged communities.
  Ensuring that high-road job opportunities benefit a diverse range of disadvantaged workers requires partnerships with community, labor and workforce development organizations that specialize in recruitment and training with specific communities. Strong training plans will include specific and formalized partnerships with organizations with a reputable history of providing workforce training, including registered apprenticeship and preapprenticeship programs, and services to persons experiencing barriers to employment. One example of this is how your colleagues at the State Workforce Development Board have successfully incorporated the use of formalized partnerships with organizations who represent community groups, or organizations who represent workers, as part of how they evaluate

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applicants for workforce training dollars through the California High Road Train Partnership process. We recommend that the CEC clearly identify and incentivize recruitment, training and hiring from among the following categories of workers facing employment barriers: residents of environmental justice communities; youth transitioning out of foster care; formerly incarcerated or transitioning out of the carceral system; Black, Indigenous and people of color; women; single heads of household and/or people whose household income is below poverty.

Revise the evaluation criterion to account for the newly required information.

Revise the criterion so that applicants who provide higher quality jobs and demonstrate stronger commitments to recruit, train and hire disadvantaged workers, will score higher. Maintain the weight of the Employee Work Environment section at 15 points or 15% and the requirement that applications obtain a minimum passing score of 10.5 points (70%) or more for the Employee Work Environment criterion to be eligible for an award.

Add compliance monitoring and enforcement provisions to the grant program and include bidders' commitments in the final award contract. The inclusion of basic monitoring and enforcement mechanisms in the solicitation, and of the applicant's commitments in the final, binding contract will ensure that the successful bidders follow-through on their commitments. Grant recipients should submit quarterly reports detailing the wage and benefit rates, and disadvantaged group representation in each job classification, and information on any ongoing training programs targeted towards disadvantaged communities. The CEC should periodically request payroll records to review employees' hourly regular pay and benefits rates, and report any differences either between the periodic review and the quarterly reports, or the quarterly reports and the recipient's baseline commitments. Compliance reports should be filed in the public docket. Consistent, substantial failure to meet the commitments in the Employee Work Environment section should be considered a failure to perform the obligations in the CEC contract and trigger progressive enforcement actions, including an opportunity for corrective action and up to termination of the grant agreement.

A strong Employee Work Environment response enables bidders to plan and deeply consider how they will develop a skilled, diverse, long-term workforce, which will positively impact the project budget, delivery schedule, and quality of the product. Achieving this requires deep collaboration with community-based organizations, labor unions, and workforce development groups such as Jobs to Move America and our coalition partners, that will help to ensure that best practices are adopted and workers are adequately supported.

Manufacturers benefit from investing in robust employment goals, recruitment and workforce training programs in the long term as research has shown that advanced training increases performance, capacity and flexibility, as well as improves communication, quality, and safety. Career pathways with opportunities for advancement motivate employees and reduce turnover, as well as cultivate

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leadership. Maintaining clean, safe, diverse, respectful and accessible workplaces with good wages, family supporting benefits and fair labor practices will strongly impact the manufacturer's ability to recruit and retain the talent they need to succeed. It will also benefit California communities in need of high quality, long term economic opportunities that this ZEV manufacturing grant program could bolster.

The Employee Work Environment section helps to ensure that manufacturers and our communities receive the full benefits of our public dollars by holding bidders to a high standard. The CEC should expect detailed plans that are explicit about an OEM's relationships, knowledge and experience in response to each question in the Employee Work Environment section. We urge the selection committee to award high scores to bidders that make clear, specific structural and monetary commitments in their proposals that address the detailed recommendations outlined in this letter. Manufacturers who submit vague or incomplete commitments on job quality, worker's rights and equitable training and hiring signal that they do not take the CEC's employment goals seriously and should be awarded few if any points for this section.

Jobs to Move America is eager to share resources and work with bidders to develop and execute a strong Employee Work Environment plan. Our website includes workforce development information, background materials, and other resources for potential bidders and we stand ready to support manufacturers in strengthening their employment plans.

Lastly, we want to reiterate our appreciation to CEC for ensuring that Californians receive needed benefits through the purchasing power of our public agencies. Prioritizing investment in creating and maintaining family supporting jobs while building a highly trained workforce, well-developed pipelines for recruitment and professional development and moving to cleaner, more sustainable vehicle fleets ensure that California can take great strides towards meeting its future climate goals so that working families are not left behind in the process. Intentional policies like the employment and training goals that are part of this RFP spur the creation of meaningful and lasting careers for Californians and U.S. residents and sets a bold example for how public agencies can lead in expanding access to high-quality, long-term employment.

Sincerely,

Melanie Prava

Melanie Jamileh Prasad

California Director Jobs to Move America

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CC: Charles Smith

Attachment: GFO-18-604 Solicitation Manual

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